

FANTASY CONTESTS CONSUMER PROTECTION ACT (EXCERPT)
Act 157 of 2019

432.502 Definitions.

Sec. 2.

As used in this act:

(a) "Athletic event" means a real world professional, collegiate, or nationally recognized sports game, contest, or competition that involves the physical exertion and skill of the participating individual athletes, as to which each participant is physically present at the location in which the sports game, contest, or competition occurs, and the outcome of the sports game, contest, or competition is directly dependent on the performance of the participating athletes.

(b) "Board" means the Michigan gaming control board created under section 4 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.204.

(c) "Entry fee" means cash or cash equivalent paid by a participant to a fantasy contest operator in order to participate in a fantasy contest.

(d) "Fantasy contest" means a simulated game or contest with an entry fee that meets all of the following conditions:

(i) No fantasy contest team is composed of the entire roster of a real world sports team.

(ii) No fantasy contest team is composed entirely of individual athletes who are members of the same real world sports team.

(iii) Each prize and award or the value of all prizes and awards offered to winning fantasy contest players is made known to the fantasy contest players in advance of the fantasy contest.

(iv) Each winning outcome reflects the relative knowledge and skill of the fantasy contest players and are determined by the aggregated statistical results of the performance of multiple individual athletes selected by the fantasy contest player to form the fantasy contest team, whose individual performances in the fantasy contest directly correspond with the actual performance of those athletes in the athletic event in which those individual athletes participated.

(v) A winning outcome is not based on randomized or historical events, or on the score, point spread, or performance in an athletic event of a single real-world sports team, a single athlete, or any combination of real-world sports teams.

(vi) The fantasy contest does not constitute or involve and is not based on any of the following:

(A) Racing involving animals.

(B) A game or contest ordinarily offered by a horse track or casino for money, credit, or any representative of value, including any races, games, or contests involving horses or that are played with cards or dice.

(C) A slot machine or other mechanical, electromechanical, or electronic device, equipment, or machine, including computers and other cashless wagering systems.

(D) Poker, blackjack, faro, monte, keno, bingo, fan tan, twenty one, seven and a half, Klondike, craps, chuck a luck, Chinese chuck a luck, Wheel of Fortune, Chemin de Fer, Baccarat, Pai Gow, Beat the Banker, Panguingui, roulette, or other banking or percentage games.

(E) Any other game or device authorized by the board under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226.

(vii) A fantasy contest is not based on a high school or youth sporting event or any event that is not an athletic event.

(viii) A fantasy contest is not conducted in a manner that involves or results in betting on a race, game, contest, or on sports.

(e) "Fantasy contest adjusted revenues" means the amount equal to the total of all entry fees that a fantasy contest operator collects from all fantasy contest players minus the total of all sums paid out as prizes or awards to all fantasy contest players, multiplied by the in-state percentage.

(f) "Fantasy contest operator" means a person that operates, carries on, conducts, maintains, exposes, or offers for play fantasy contests and awards prizes of value and includes a licensed fantasy contest operator, a casino licensee under the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.201 to 432.226, and a federally recognized Indian tribe licensed under the lawful internet gaming act or the lawful sports betting act.

(g) "Fantasy contest platform" means any digital or online method through which a fantasy contest operator provides access to a fantasy contest.

(h) "Fantasy contest player" means an individual who participates in a fantasy contest offered by a fantasy contest operator.

(i) "Fantasy contest team" means the simulated team composed of multiple individual athletes, each of whom is a member of a real world sports team, that a fantasy contest player selects to compete in a fantasy contest.

- (j) "Highly experienced player" means a fantasy contest player who has done at least 1 of the following:
 - (i) Entered more than 1,000 fantasy contests offered by a single fantasy contest operator.
 - (ii) Won more than 3 prizes valued at \$1,000.00 each or more from a single fantasy contest operator.
- (k) "Holding company" means a corporation, firm, partnership, limited partnership, limited liability company, trust, or other form of business organization that is not an individual and that directly or indirectly does either of the following:
 - (i) Holds an ownership interest of 5% or more, as determined by the board, in a fantasy contest operator.
 - (ii) Holds voting rights with the power to vote 5% or more of the outstanding voting rights of a fantasy contest operator.
- (l) "In-state percentage" means for each fantasy contest, the percentage, rounded to the nearest tenth of a percent, equal to the total entry fees collected from all in-state participants divided by the total entry fees collected from all participants in the fantasy contest, unless otherwise prescribed by the board.
- (m) "Key employee" means an employee of a fantasy contest operator who has the power to exercise significant influence over decisions concerning the fantasy contest operator.
- (n) "Licensed fantasy contest operator" means a fantasy contest operator that is licensed by the board under this act.
- (o) "Management company" means a person retained by a fantasy contest operator to manage a fantasy contest platform and provide general administration and other operational services.
- (p) "Person" means an individual, partnership, corporation, association, limited liability company, federally recognized Indian tribe, or other legal entity.
- (q) "Prize or award" means anything of value or any amount of cash or cash equivalents.
- (r) "Protected information" means information related to the playing of fantasy contests by fantasy contest players that is obtained by a fantasy contest operator.
- (s) "Script" means a list of commands that a fantasy-contest-related computer program can execute and that is created by a fantasy contest player, or by a third party for a fantasy contest player, to automate processes on a fantasy contest platform.

History: 2019, Act 157, Imd. Eff. Dec. 20, 2019